

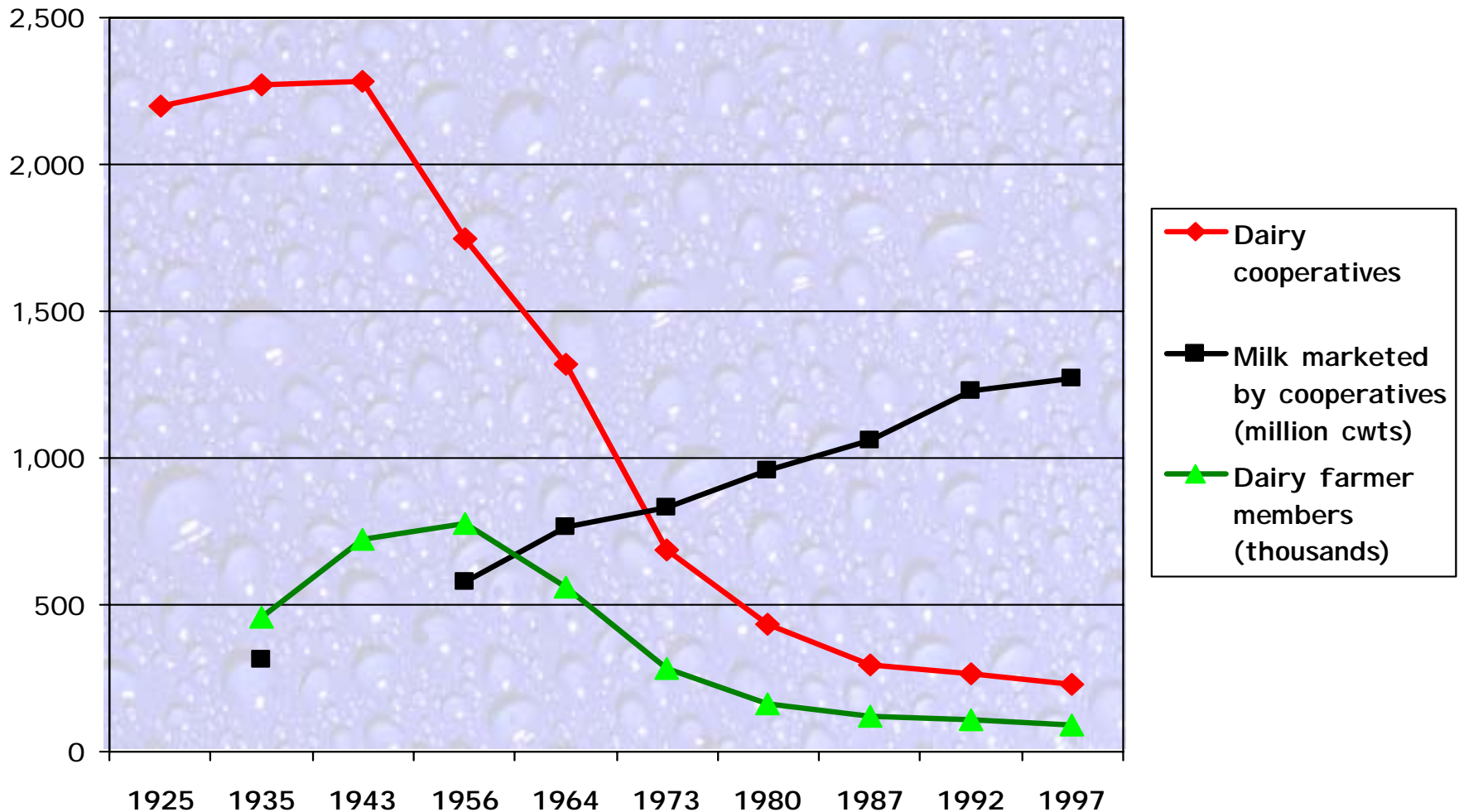
Structural Change in the Dairy Cooperative Sector

1992-2000

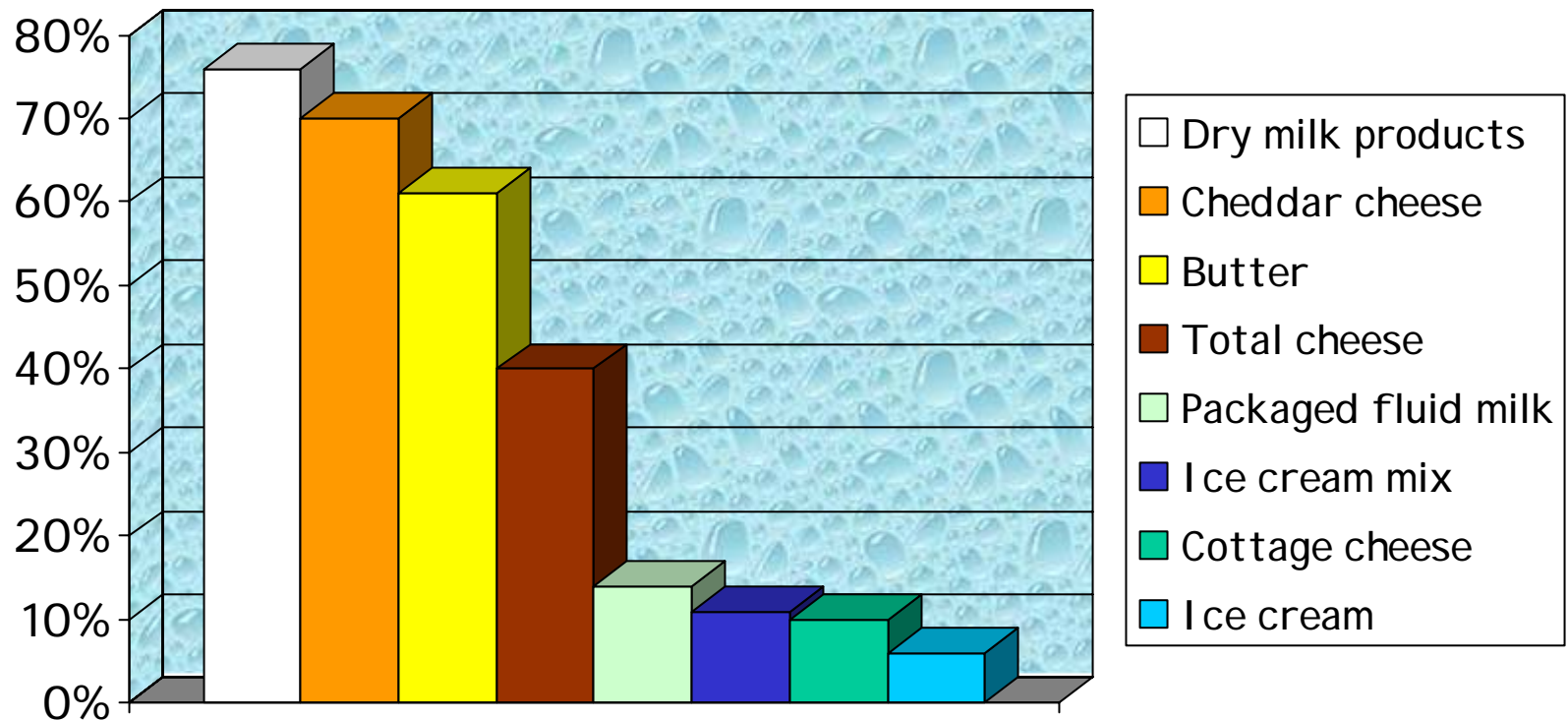


Snapshot of the Last Century:

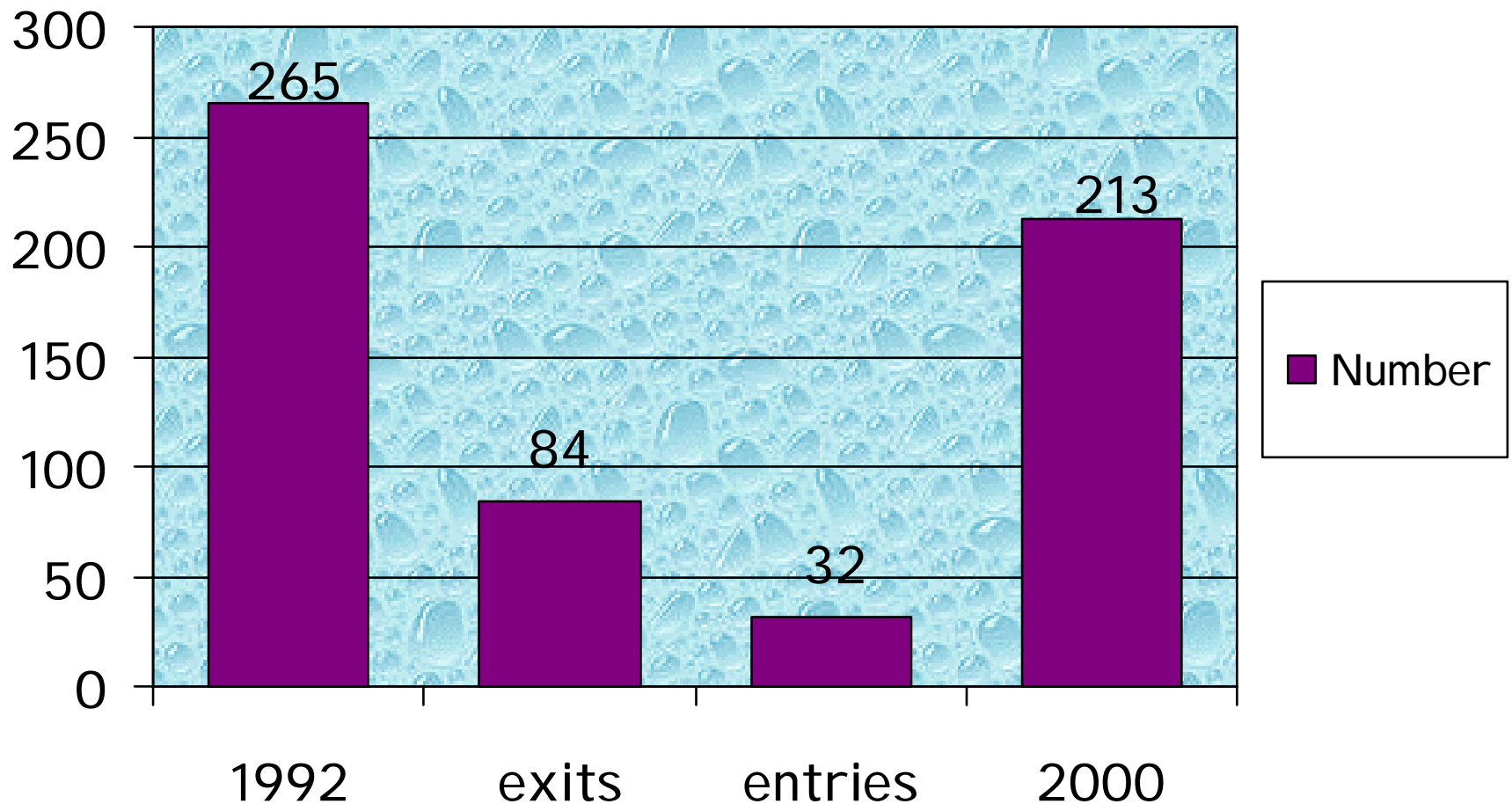
- Dairy cooperative numbers: down
- Number of cooperative members: down
- Milk volume handled by cooperatives: UP

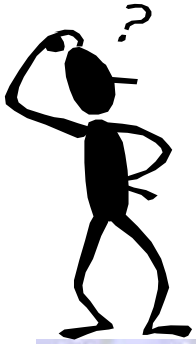


Dairy cooperatives distributed a majority of the dry milk products, cheddar cheese and butter produced in the U.S. (1997)



Dairy Cooperatives 1992 to 2000





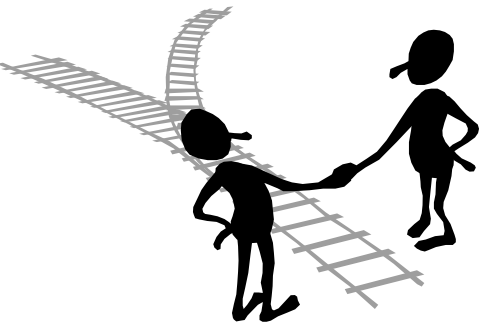
What happened to the “exiting” dairy cooperatives?

- Dissolved/out of operation (43%)
- Acquired by an investor-owned firm (10%)
- Reduced dairy's role to minor share of operations (5%)
- Merged into another dairy cooperative (43%)



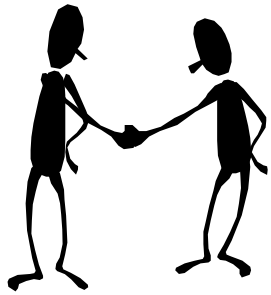
Dairy cooperatives that dissolved were mostly...

- Small (86%)
- Not involved in manufacturing/processing (78%)
- Exited prior to 1996 (86%)
- Located in the Upper Midwest (58%) and North Atlantic (28%)



Dairy cooperatives that merged were...

- Medium or Large (78%)
- Manufacturing/processing (58%)
- Exited after 1997 (50%)
- Scattered throughout the U.S.



Dairy cooperatives that were acquired by IOFs were...

- Small (75%)
- Manufacturing/processing (75%)
- Exited prior to 1996 (75%)
- Located in the North Atlantic (50%) and Upper Midwest (38%)



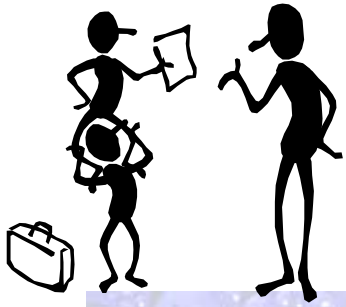
Newly formed dairy cooperatives

- Consolidation of existing cooperatives (19%)
- New groups of producers (81%)



Newly formed by consolidation

- Medium (2) or Large (4)
- Equally bargaining-only and manufacturing/processing
- Upper Midwest (4)

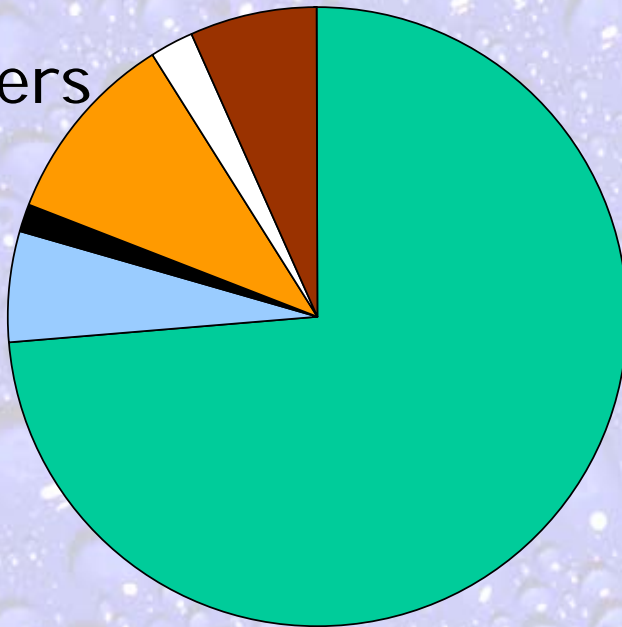


Newly formed by new producer groups

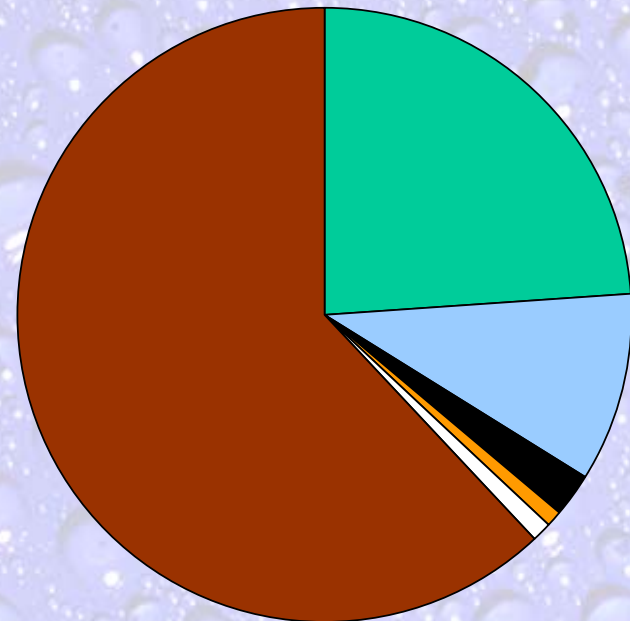
- Small (62%)
- Bargaining-only (69%)
- Many in the North Atlantic (39%)
- Formed after 1996 (69%)

Dairy cooperative numbers and milk volume, by type of operations

Numbers



Milk volume
(estimated)



Cooperation
Works!



(Now wake up!)



end